

San Luis Obispo County Economic Forecast

San Luis Obispo County is located on the central coast and is considered the northern-most coastal county of Southern California. The population now exceeds 260,000 people, and there are over 103,000 wage and salary jobs. The per capita income in San Luis Obispo County is \$31,120, and the average salary per worker is \$36,180.

Economic growth in Southern California was impressive in 2004, compared to the northern half of the state. Nearly 1,100 total wage and salary jobs were created in San Luis Obispo County last year, representing a growth rate of 1.1 percent. The unemployment rate declined to 4.4 percent, a level indicative of a fully employed labor market.

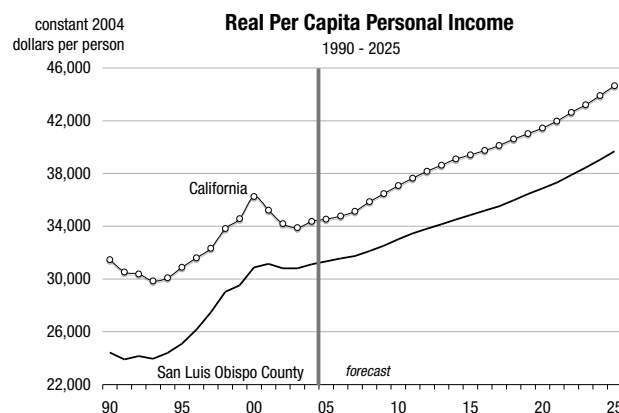
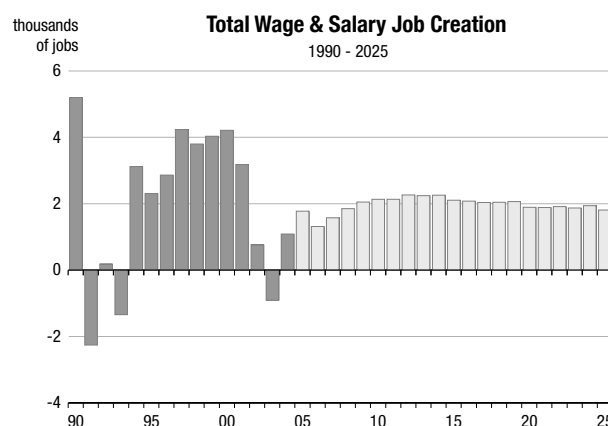
The principal employment clusters in San Luis Obispo County are retail trade, leisure services, education and health-care services, and government. The public sector dominates all other sectors in terms of jobs because of the large state institutions located in the county, including Cal Poly State University, Cuesta College, Atascadero State Hospital, the California Men's Colony, and the California Youth Authority. The fastest growing sectors last year were wholesale trade, information, and financial activities, each recording a rate of 5 percent or greater.

The fastest growing city in the county is Paso Robles, where population increased 2.8 percent between 2004 and 2005. San Luis Obispo is the largest city in the county with over 44,500 residents. The growth rate there was a modest 0.8 percent.

Employment growth is forecast to remain modest over the next five years in the county. Population growth will average between two and three percent in the north, and between 0.5 and 1.2 percent in the south. The lack of housing growth in the south together with higher prices for housing will push most of the future growth into Paso Robles and Atascadero.

Forecast Highlights

- Job growth will accelerate slightly in 2004, to 1.7 percent. Over the next five years, the average annual growth rate is forecast to average 1.6 percent per year.
- Average salaries adjusted for inflation are currently well below the California state average, and will remain so over the foreseeable future. Real average salaries rise an average of 0.4 percent per year over the next 5 years.
- The service, retail trade, and government sectors remain the growth engine of jobs in San Luis Obispo County. The service sector alone will be responsible for over 65 percent of total job growth in the county over the next five years.
- The population will continue to grow in the county, and in 2005 the growth rate will increase to 1.5 percent. Annual growth in the 2005 to 2010 period averages 1.4 percent per year.

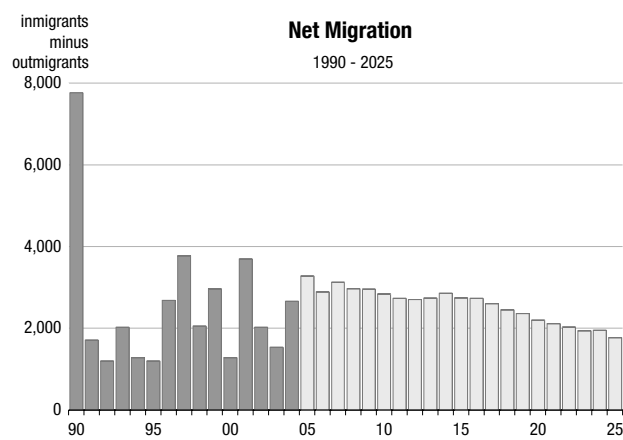
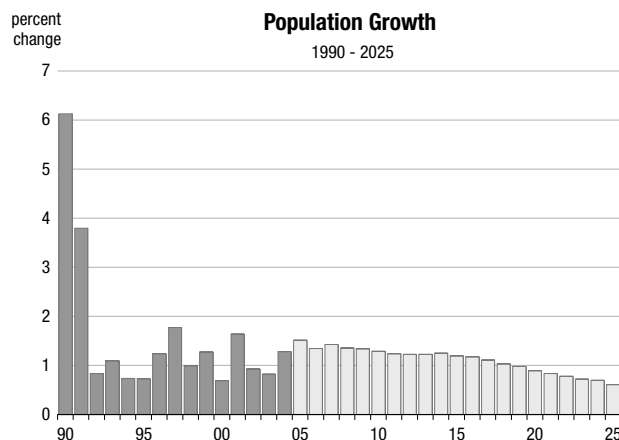


- Net migration is expected to increase to 3,300 persons in 2005. Over the next five years net migration is forecast to decline slightly, averaging 3,000 people entering the county per year. Much of the new population will relocate in the north county, especially Paso Robles.
- Real per capita incomes increase at a rate of 0.7 percent in 2005. An annual compound rate of growth of 1.1 percent is forecast over the next 5 years.
- Total taxable sales, adjusted for inflation, are forecast to increase at a rate of 6.4 percent in 2005. Over the next five years real taxable sales are forecast to increase 4.4 percent per year.
- Industrial production will decline by 0.1 percent in 2005. Over the next five years the growth rate of industrial production will average 2.0 percent per year.

San Luis Obispo County Economic Forecast

1995-2004 History, 2005-2025 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
1995	233,800	1,200	207.5	84.8	985	\$1.8	\$4.7	\$25,081	1.6	395.6	0.80	6.6
1996	236,700	2,682	219.7	85.6	1,176	\$2.0	\$5.0	\$26,156	1.7	402.8	0.86	5.7
1997	240,900	3,777	205.4	86.6	1,329	\$2.2	\$5.5	\$27,468	1.7	461.1	0.94	4.8
1998	243,300	2,051	219.7	87.6	1,730	\$2.3	\$5.9	\$29,024	1.4	427.2	0.99	4.2
1999	246,400	2,965	229.1	88.8	1,664	\$2.6	\$6.3	\$29,515	2.3	460.1	1.05	3.3
2000	248,106	1,281	244.1	92.7	1,650	\$2.9	\$6.8	\$30,871	3.3	549.2	1.12	4.0
2001	252,175	3,699	257.1	93.9	2,025	\$3.1	\$7.2	\$31,153	3.4	533.7	1.02	3.9
2002	254,525	2,026	263.3	95.6	1,972	\$3.1	\$7.4	\$30,804	2.8	507.8	1.03	4.5
2003	256,622	1,536	263.3	97.3	2,222	\$3.3	\$7.6	\$30,805	2.6	546.7	1.10	4.6
2004	259,924	2,659	282.0	98.5	2,130	\$3.9	\$8.1	\$31,122	3.3	556.9	1.14	4.4
2005	263,868	3,278	292.3	100.5	2,204	\$4.2	\$8.5	\$31,334	2.7	563.4	1.13	4.2
2006	267,429	2,890	299.1	102.6	2,245	\$4.6	\$8.9	\$31,559	2.5	571.9	1.13	3.9
2007	271,249	3,130	305.3	104.7	2,108	\$4.9	\$9.3	\$31,747	2.4	581.1	1.15	4.1
2008	274,928	2,972	311.3	106.6	2,042	\$5.3	\$9.8	\$32,113	2.3	589.4	1.18	3.9
2009	278,617	2,960	317.4	108.5	1,968	\$5.6	\$10.3	\$32,519	2.2	597.3	1.21	4.0
2010	282,209	2,841	323.4	110.3	1,848	\$5.9	\$10.8	\$33,021	2.4	604.3	1.25	4.0
2011	285,713	2,732	329.7	112.0	1,805	\$6.3	\$11.4	\$33,452	2.5	609.6	1.29	4.0
2012	289,215	2,709	336.5	113.7	1,795	\$6.6	\$12.0	\$33,811	2.6	612.2	1.33	3.9
2013	292,763	2,743	343.4	115.4	1,869	\$7.0	\$12.6	\$34,159	2.7	612.6	1.38	3.7
2014	296,432	2,855	350.2	117.1	1,837	\$7.4	\$13.2	\$34,511	2.7	611.7	1.43	3.7
2015	299,987	2,745	356.6	118.8	1,827	\$7.7	\$13.9	\$34,841	2.8	610.2	1.48	3.7
2016	303,521	2,737	362.9	120.5	1,771	\$8.1	\$14.6	\$35,185	2.8	608.1	1.52	3.8
2017	306,900	2,607	369.1	122.2	1,705	\$8.5	\$15.3	\$35,518	2.6	604.5	1.57	3.8
2018	310,084	2,454	375.0	123.7	1,699	\$8.9	\$16.0	\$35,972	2.5	599.7	1.63	3.8
2019	313,126	2,365	380.8	125.3	1,650	\$9.3	\$16.8	\$36,438	2.5	594.4	1.69	3.7
2020	315,937	2,202	386.0	126.8	1,588	\$9.7	\$17.5	\$36,867	2.4	589.5	1.75	3.6
2021	318,589	2,114	390.9	128.3	1,518	\$10.1	\$18.3	\$37,314	2.4	585.5	1.81	3.6
2022	321,084	2,032	395.4	129.7	1,443	\$10.5	\$19.2	\$37,883	2.4	582.2	1.85	3.6
2023	323,408	1,939	399.6	131.1	1,453	\$10.9	\$20.1	\$38,441	2.5	579.4	1.90	3.6
2024	325,662	1,951	403.8	132.4	1,385	\$11.4	\$21.1	\$39,041	2.5	577.4	1.95	3.6
2025	327,653	1,774	407.5	133.7	1,337	\$11.9	\$22.1	\$39,680	2.4	576.0	2.00	3.5



San Luis Obispo County Employment Forecast

1995-2004 History, 2005-2025 Forecast

	Total Wage & Salary	Farm	Mining & Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
1995	79.9	3.03	4.06	5.77	3.07	11.9	3.20	5.8	1.26	7.7	11.8	18.6
1996	82.7	3.90	4.16	6.22	3.19	12.0	3.23	6.4	1.37	8.0	11.3	19.3
1997	87.0	4.84	4.42	6.80	3.26	12.4	3.34	6.9	1.43	8.2	11.3	20.3
1998	90.8	4.62	4.98	7.06	3.21	13.2	3.63	7.6	1.32	8.5	11.9	21.2
1999	94.8	4.29	6.53	7.26	3.14	14.0	3.70	8.3	1.58	8.5	12.3	21.6
2000	99.0	4.78	6.12	7.36	3.15	15.0	3.73	8.8	1.84	8.7	13.0	22.4
2001	102.2	4.85	6.65	7.35	3.18	15.6	3.80	9.0	1.76	9.6	13.2	22.8
2002	103.0	4.58	6.75	6.93	3.34	15.6	4.25	8.9	1.53	10.0	13.8	23.0
2003	102.0	3.91	6.89	6.51	3.54	15.5	4.43	8.5	1.41	10.3	14.3	22.4
2004	103.1	4.06	7.15	6.33	3.66	15.9	4.66	8.9	1.50	10.5	14.5	21.9
2005	104.9	4.17	7.39	6.18	3.67	16.4	4.87	9.0	1.52	10.7	14.8	22.1
2006	106.2	4.28	7.36	6.01	3.67	16.9	5.08	9.1	1.54	10.9	15.1	22.2
2007	107.8	4.38	7.31	5.87	3.69	17.3	5.27	9.3	1.58	11.1	15.4	22.4
2008	109.7	4.47	7.13	5.77	3.70	17.7	5.45	9.6	1.63	11.4	15.8	22.7
2009	111.7	4.55	7.06	5.72	3.72	18.1	5.62	10.0	1.68	11.7	16.1	23.1
2010	113.8	4.63	7.01	5.70	3.73	18.5	5.79	10.4	1.73	12.0	16.4	23.5
2011	116.0	4.69	6.93	5.72	3.75	18.9	5.97	10.8	1.78	12.4	16.7	23.9
2012	118.2	4.74	6.94	5.75	3.76	19.2	6.15	11.2	1.81	12.9	17.0	24.3
2013	120.5	4.78	6.98	5.79	3.77	19.6	6.33	11.5	1.85	13.4	17.2	24.7
2014	122.8	4.81	7.11	5.84	3.78	19.9	6.51	11.9	1.87	14.0	17.5	25.0
2015	124.9	4.84	7.13	5.86	3.79	20.2	6.69	12.1	1.89	14.5	17.7	25.4
2016	126.9	4.85	7.16	5.90	3.80	20.4	6.88	12.3	1.92	15.1	18.0	25.8
2017	129.0	4.86	7.15	5.96	3.82	20.7	7.07	12.5	1.94	15.7	18.2	26.2
2018	131.0	4.85	7.14	6.02	3.83	20.9	7.26	12.7	1.97	16.2	18.5	26.7
2019	133.1	4.85	7.20	6.07	3.84	21.2	7.44	12.8	1.99	16.8	18.7	27.2
2020	135.0	4.83	7.22	6.12	3.85	21.4	7.63	13.0	2.00	17.3	18.8	27.7
2021	136.9	4.82	7.22	6.19	3.86	21.7	7.81	13.1	2.02	17.9	18.9	28.2
2022	138.8	4.81	7.22	6.26	3.88	21.9	7.98	13.3	2.04	18.4	19.0	28.8
2023	140.7	4.79	7.22	6.33	3.89	22.1	8.16	13.4	2.06	19.0	19.1	29.4
2024	142.6	4.78	7.30	6.41	3.90	22.3	8.34	13.5	2.08	19.4	19.2	30.0
2025	144.4	4.77	7.31	6.49	3.91	22.6	8.52	13.6	2.10	19.9	19.3	30.6

